



## RESIDENT AND BUSINESS CHANGES

Am Sub House Bill 5 was signed and passed on December 19, 2014. The bill includes significant and wide-ranging amendments to ORC 718 which become **effective January 1, 2016 for tax years 2016 and forward**. Some of the changes for resident and business income tax accounts are shown below. Other changes for employer withholding can be found on our website at [www.springfieldohio.gov](http://www.springfieldohio.gov). Please see ORC 718 and Springfield Ordinance Chap 196 for all details and definitions.

### Estimated Payments

1. Estimated, quarterly payments are required if you anticipate owing \$200 or more after withholding credits.
2. New due dates are April 15, June 15, September 15, and December 15.
3. For Fiscal Year filers, due dates are fifteenth day of fourth month after beginning of fiscal year; fifteenth day of sixth month after beginning of fiscal year; fifteenth day of ninth month after beginning of fiscal year; fifteenth day of twelfth month after beginning of fiscal year.
4. To avoid penalty and interest, you must have at least 90% of your full tax liability paid by December 15. Another "safe harbor" is paying an amount equal to 100% of your prior year tax liability.

### Extensions

1. You will receive an automatic extension to file your Springfield return if you have duly requested an automatic Federal extension. A copy of the Federal extension request must be attached to the Springfield return when filing.
2. An extension of time to file is not an extension of time to pay. Penalty and interest will be assessed on any tax due not paid by the original due date.

### Joint Filing

1. Spouses can now file a joint return and combine all income, credits and payments.
2. By filing jointly, both spouses will be jointly and severally liable for any tax due.
3. Mark the Joint Filing Status on the front of the return.

### Tax Balance Due

1. No payment is necessary if the tax due, after withholding and estimated payment credits, is \$10.00 or less.

### Penalties and Interest Rates

1. Late payments, including estimated payments, will be charged a penalty equaling 15% of the tax due
2. Interest will be charged at the Federal short term rate (2016 rate is .42% per month) each month on any tax due, including estimated tax.
3. A late filing penalty of \$25.00 per month may be charged for each return filed late, with a maximum of \$150.00 on each return.

### Refunds

1. All refunds must be prepared and signed on a return form. A refund request worksheet must accompany the return form if an employer certification or days in/days out worksheet is required.
2. There will be no refunds issued or carry-overs for an amount \$10.00 or less.

### Schedule Losses

1. All schedule losses, with the exception of S Corp K-1, may offset other schedules.
2. No losses can offset wages.

### Net Operating Loss

Beginning with losses incurred in 2017, a net operating loss may be carried forward for 5 years. For losses incurred in tax years 2017 through 2021, the lesser of 50% of the loss carried forward, or 50% of the pre-apportioned taxable income, may be deducted in each subsequent year through tax year 2022. Losses incurred prior to tax year 2017 are not allowed to carry forward. Losses cannot offset wages.